

## **Proposed Substitute House Bill 1923**

**H-2137.2/19**

By Representative Fitzgibbon

### Effect:

- Adds options to the list of increased residential building capacity actions from which certain cities may choose.
- Modifies the scope of the inclusionary zoning program that certain cities may choose to adopt.
- Eliminates the availability of \$100,000 planning grants for cities that take comply with the increased residential building capacity and housing affordability requirements of the act.
- Changes the effective date of actions that may be relied on to comply with the requirements of the act, from January 1, 2015, to January 1, 2013.
- Authorizes cities that are subject to the increased residential building capacity and housing affordability requirements of the act to instead choose to update the housing element of their comprehensive plan.
- Eliminates the requirement that the Department of Commerce certify that a city has complied with the increased residential building capacity and housing affordability requirements of the act.
- Eliminates the requirement that cities that update the housing element of their comprehensive plans pursuant to the act must include a zone where emergency shelters are permitted without a discretionary review process.

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**BILL REQUEST - CODE REVISER'S OFFICE**

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BILL REQ. #: H-2137.2/19 2nd draft

ATTY/TYPIST: RB:lel

BRIEF DESCRIPTION: Increasing urban residential building capacity.

1       AN ACT Relating to increasing urban residential building  
2 capacity; amending RCW 36.70A.280, 36.70A.280, 36.70A.290,  
3 36.70A.030, 43.21C.450, 70.146.070, 43.155.070, 47.26.086,  
4 43.21C.420, 36.70A.490, and 82.02.060; adding new sections to chapter  
5 36.70A RCW; adding a new section to chapter 43.21C RCW; adding a new  
6 section to chapter 35.21 RCW; adding a new section to chapter 35A.21  
7 RCW; providing an effective date; and providing an expiration date.

8       BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

9       NEW SECTION.   **Sec. 1.**   A new section is added to chapter 36.70A  
10 RCW to read as follows:

11       (1) A city planning pursuant to RCW 36.70A.040 with a population  
12 greater than ten thousand shall take two or more of the following  
13 actions by December 31, 2022, in order to increase its residential  
14 building capacity, while seeking to avoid displacement of vulnerable  
15 communities:

16       (a) Authorize development of an average of at least fifty  
17 residential units per acre in one or more areas of not fewer than  
18 five hundred acres that include one or more transit stations, as  
19 defined in RCW 9.91.025, served by commuter rail or light rail;

20       (b) Authorize development of an average of at least twenty-five  
21 residential units per acre in one or more areas of not fewer than

1 five hundred acres that include one or more transit stations, as  
2 defined in RCW 9.91.025, served by scheduled bus service of at least  
3 four times per hour for twelve or more hours per day;

4 (c) Authorize at least one duplex, triplex, or courtyard  
5 apartment on each parcel in one or more zoning districts that permit  
6 single-family residences unless a city documents a specific  
7 infrastructure of physical constraint that would make this  
8 requirement unfeasible for a particular parcel;

9 (d) Authorize cluster zoning or lot size averaging in all zoning  
10 districts that permit single-family residences;

11 (e) Require no more than one on-site parking space per two  
12 dwelling units in multifamily zones that are located within one-half  
13 mile of a fixed guideway transit station;

14 (f) Authorize accessory dwelling units on all lots located in  
15 zoning districts that permit single-family residences;

16 (g) Adopt a planned action pursuant to RCW 43.21C.420;

17 (h) Adopt a planned action pursuant to RCW 43.21C.440(1)(b)(ii),  
18 except that an environmental impact statement pursuant to RCW  
19 43.21C.030 is not required for such an action;

20 (i) Adopt increases in categorical exemptions pursuant to RCW  
21 43.21C.229 for residential or mixed-use development;

22 (j) Adopt a policy to certify project permit applications as  
23 counter complete within fourteen days of submittal. "Counter  
24 complete" means a city official has determined that all elements  
25 necessary to begin processing a project permit application are  
26 present, but does not mean that the city has certified that all  
27 necessary information is present for full processing, nor does it  
28 mean that the application is a complete application for the purposes  
29 of RCW 36.70B.070;

30 (k) Adopt a form-based code in one or more zoning districts that  
31 permit residential uses. "Form-based code" means a land development  
32 regulation that uses physical form, rather than separation of use, as  
33 the organizing principle for the code; and

34 (1) Authorize a duplex on each corner lot within all zoning  
35 districts that permit single-family residences.

36 (2) A city planning pursuant to RCW 36.70A.040 with a population  
37 greater than ten thousand shall take one or more of the following  
38 actions by December 31, 2022, in order to increase housing  
39 affordability, while seeking to avoid displacement of vulnerable  
40 communities:

1 (a) Adopt an inclusionary zoning program, in which ten percent of  
2 the new housing capacity directed by this act consists of affordable  
3 housing;

4 (b) Provide surplus property to be used for affordable housing  
5 pursuant to RCW 39.33.015; or

6 (c) Enact an affordable housing levy pursuant to RCW 84.52.105.

7 (3) A city may rely on actions that take effect on or after  
8 January 1, 2013, for purposes of compliance with subsections (1) and  
9 (2) of this section.

10 (4) A city that is subject to subsections (1) and (2) of this  
11 section may choose instead to update the housing element of its  
12 comprehensive plan as required by section 2 of this act. A city that  
13 is subject to subsections (1) and (2) of this section that fails to  
14 comply with subsections (1) and (2) of this section by December 31,  
15 2022, shall update the housing element of its comprehensive plan as  
16 required by section 2 of this act.

17 (5) Amendments to development regulations and other nonproject  
18 actions taken by a city to comply with subsections (1) and (2) of  
19 this section are categorically exempt from the requirements of  
20 chapter 43.21C RCW.

21 (6) A city that is subject to the requirements of subsections (1)  
22 and (2) of this section shall certify to the department once it has  
23 complied with the requirements of subsections (1) and (2) of this  
24 section.

25 (7) A city that is subject to the requirements of subsections (1)  
26 and (2) of this section that fails to comply with subsections (1) and  
27 (2) of this section by December 31, 2022, may not receive grants,  
28 loans, or any other form of funding from the following accounts until  
29 the city certifies to the funding authority, as part of its request  
30 for funding, that the city has complied with subsections (1) and (2)  
31 of this section: The public works assistance account established in  
32 RCW 43.155.050; the water quality capital account created in RCW  
33 70.146.100; and the transportation improvement account created in RCW  
34 47.26.084. A city that is subject to the requirements of subsections  
35 (1) and (2) of this section but that chooses instead to update the  
36 housing element of its comprehensive plan as required by section 2 of  
37 this act is not barred by this section from receiving grants, loans,  
38 or other forms of funding from these accounts.

39 (8) In meeting the requirements of subsections (1) and (2) of  
40 this section, cities are encouraged to utilize strategies that

1 increase residential building capacity in areas with frequent transit  
2 service and with the transportation and utility infrastructure that  
3 supports the additional residential building capacity.

4 NEW SECTION. **Sec. 2.** A new section is added to chapter 36.70A  
5 RCW to read as follows:

6 (1) In addition to the requirements set forth in RCW  
7 36.70A.070(2) for the housing element of a comprehensive plan, the  
8 cities described in subsection (2) of this section shall update the  
9 housing element of their comprehensive plan as described in  
10 subsection (3) of this section.

11 (2) This section applies to cities that are subject to section 1  
12 (1) and (2) of this act but that fail to comply with the requirements  
13 of those subsections by December 31, 2022 or that choose to update  
14 the housing element of their comprehensive plan as described in this  
15 section in place of taking the actions described in section 1 (1) and  
16 (2) of this act.

17 (3) The housing element must:

18 (a) Quantify existing and projected housing needs for all income  
19 levels, including extremely low-income households, with documentation  
20 of housing and household characteristics, including housing stock  
21 condition, overcrowding, and comparison of level of payment with  
22 ability to pay;

23 (b) Include policies, regulations, and programs to conserve and  
24 preserve existing private market and subsidized affordable housing  
25 and existing manufactured home parks;

26 (c) In cities with populations of more than eighty thousand,  
27 include policies, regulations, and programs to minimize displacement;

28 (d) If the inventory in (a) of this subsection demonstrates a  
29 lack of sufficient sites to accommodate housing needs for extremely  
30 low-income, very low-income, and low-income households, include a  
31 program to make sufficient sites available at multifamily densities  
32 available for development;

33 (e) Analyze population and employment trends, with documentation  
34 of projections;

35 (f) Include an eight-year schedule of programs and actions to  
36 implement the policies of the housing element and to accommodate the  
37 planned housing units, including incentives and funding for  
38 affordable housing; and

1 (g) Review and evaluate the previous housing element, including  
2 an evaluation of success in attaining planned housing units,  
3 achievement of goals and policies, and implementation of the schedule  
4 of programs and actions.

5 (4) The housing element update described in subsection (3) of  
6 this section must be incorporated into the housing element of a  
7 city's comprehensive plan by the next regularly scheduled  
8 comprehensive plan update as provided in RCW 36.70A.130.

9 (5) The department shall review and, if compliant with the  
10 requirements of this section and any other applicable requirements  
11 within this chapter, approve the housing element of a city's  
12 comprehensive plan after each periodic review required under RCW  
13 36.70A.130.

14 **Sec. 3.** RCW 36.70A.280 and 2014 c 147 s 3 are each amended to  
15 read as follows:

16 (1) The growth management hearings board shall hear and determine  
17 only those petitions alleging either:

18 (a) That, except as provided otherwise by this subsection, a  
19 state agency, county, or city planning under this chapter is not in  
20 compliance with the requirements of this chapter, chapter 90.58 RCW  
21 as it relates to the adoption of shoreline master programs or  
22 amendments thereto, or chapter 43.21C RCW as it relates to plans,  
23 development regulations, or amendments, adopted under RCW 36.70A.040  
24 or chapter 90.58 RCW. Nothing in this subsection authorizes the board  
25 to hear petitions alleging noncompliance with RCW 36.70A.5801;

26 (b) That the twenty-year growth management planning population  
27 projections adopted by the office of financial management pursuant to  
28 RCW 43.62.035 should be adjusted;

29 (c) That the approval of a work plan adopted under RCW  
30 36.70A.735(1)(a) is not in compliance with the requirements of the  
31 program established under RCW 36.70A.710;

32 (d) That regulations adopted under RCW 36.70A.735(1)(b) are not  
33 regionally applicable and cannot be adopted, wholly or partially, by  
34 another jurisdiction;

35 (e) That a department certification under RCW 36.70A.735(1)(c) is  
36 erroneous; (~~or~~)

37 (f) That a department certification of the housing element under  
38 section 2 of this act is erroneous; or

1       (g) That a department determination under RCW 36.70A.060(1)(d) is  
2 erroneous.

3       (2) A petition may be filed only by: (a) The state, or a county  
4 or city that plans under this chapter; (b) a person who has  
5 participated orally or in writing before the county or city regarding  
6 the matter on which a review is being requested; (c) a person who is  
7 certified by the governor within sixty days of filing the request  
8 with the board; or (d) a person qualified pursuant to RCW 34.05.530.

9       (3) For purposes of this section "person" means any individual,  
10 partnership, corporation, association, state agency, governmental  
11 subdivision or unit thereof, or public or private organization or  
12 entity of any character.

13       (4) To establish participation standing under subsection (2)(b)  
14 of this section, a person must show that his or her participation  
15 before the county or city was reasonably related to the person's  
16 issue as presented to the board.

17       (5) When considering a possible adjustment to a growth management  
18 planning population projection prepared by the office of financial  
19 management, the board shall consider the implications of any such  
20 adjustment to the population forecast for the entire state.

21       The rationale for any adjustment that is adopted by the board  
22 must be documented and filed with the office of financial management  
23 within ten working days after adoption.

24       If adjusted by the board, a county growth management planning  
25 population projection shall only be used for the planning purposes  
26 set forth in this chapter and shall be known as the "board adjusted  
27 population projection." None of these changes shall affect the  
28 official state and county population forecasts prepared by the office  
29 of financial management, which shall continue to be used for state  
30 budget and planning purposes.

31       **Sec. 4.** RCW 36.70A.280 and 2011 c 360 s 17 are each amended to  
32 read as follows:

33       (1) The growth management hearings board shall hear and determine  
34 only those petitions alleging either:

35       (a) That, except as provided otherwise by this subsection, a  
36 state agency, county, or city planning under this chapter is not in  
37 compliance with the requirements of this chapter, chapter 90.58 RCW  
38 as it relates to the adoption of shoreline master programs or  
39 amendments thereto, or chapter 43.21C RCW as it relates to plans,



development regulations, or amendments, adopted under RCW 36.70A.040 or chapter 90.58 RCW. Nothing in this subsection authorizes the board to hear petitions alleging noncompliance with RCW 36.70A.5801;

(b) That the twenty-year growth management planning population projections adopted by the office of financial management pursuant to RCW 43.62.035 should be adjusted;

(c) That the approval of a work plan adopted under RCW 36.70A.735(1)(a) is not in compliance with the requirements of the program established under RCW 36.70A.710;

(d) That regulations adopted under RCW 36.70A.735(1)(b) are not regionally applicable and cannot be adopted, wholly or partially, by another jurisdiction; ~~((or))~~

(e) That a department certification under RCW 36.70A.735(1)(c) is erroneous; or

(f) That a department certification of the housing element under section 2 of this act is erroneous.

(2) A petition may be filed only by: (a) The state, or a county or city that plans under this chapter; (b) a person who has participated orally or in writing before the county or city regarding the matter on which a review is being requested; (c) a person who is certified by the governor within sixty days of filing the request with the board; or (d) a person qualified pursuant to RCW 34.05.530.

(3) For purposes of this section "person" means any individual, partnership, corporation, association, state agency, governmental subdivision or unit thereof, or public or private organization or entity of any character.

(4) To establish participation standing under subsection (2)(b) of this section, a person must show that his or her participation before the county or city was reasonably related to the person's issue as presented to the board.

(5) When considering a possible adjustment to a growth management planning population projection prepared by the office of financial management, the board shall consider the implications of any such adjustment to the population forecast for the entire state.

The rationale for any adjustment that is adopted by the board must be documented and filed with the office of financial management within ten working days after adoption.

If adjusted by the board, a county growth management planning population projection shall only be used for the planning purposes set forth in this chapter and shall be known as the "board adjusted

1 population projection." None of these changes shall affect the  
2 official state and county population forecasts prepared by the office  
3 of financial management, which shall continue to be used for state  
4 budget and planning purposes.

5       **Sec. 5.** RCW 36.70A.290 and 2011 c 277 s 1 are each amended to  
6 read as follows:

7       (1) All requests for review to the growth management hearings  
8 board shall be initiated by filing a petition that includes a  
9 detailed statement of issues presented for resolution by the board.  
10 The board shall render written decisions articulating the basis for  
11 its holdings. The board shall not issue advisory opinions on issues  
12 not presented to the board in the statement of issues, as modified by  
13 any prehearing order.

14       (2) All petitions relating to whether or not an adopted  
15 comprehensive plan, development regulation, or permanent amendment  
16 thereto, is in compliance with the goals and requirements of this  
17 chapter or chapter 90.58 or 43.21C RCW must be filed within sixty  
18 days after publication as provided in (a) through (c) of this  
19 subsection.

20       (a) Except as provided in (c) of this subsection, the date of  
21 publication for a city shall be the date the city publishes the  
22 ordinance, or summary of the ordinance, adopting the comprehensive  
23 plan or development regulations, or amendment thereto, as is required  
24 to be published.

25       (b) Promptly after adoption, a county shall publish a notice that  
26 it has adopted the comprehensive plan or development regulations, or  
27 amendment thereto.

28       Except as provided in (c) of this subsection, for purposes of  
29 this section the date of publication for a county shall be the date  
30 the county publishes the notice that it has adopted the comprehensive  
31 plan or development regulations, or amendment thereto.

32       (c) For local governments planning under RCW 36.70A.040, promptly  
33 after approval or disapproval of a local government's shoreline  
34 master program or amendment thereto by the department of ecology as  
35 provided in RCW 90.58.090, the department of ecology shall publish a  
36 notice that the shoreline master program or amendment thereto has  
37 been approved or disapproved. For purposes of this section, the date  
38 of publication for the adoption or amendment of a shoreline master  
39 program is the date the department of ecology publishes notice that

1 the shoreline master program or amendment thereto has been approved  
2 or disapproved.

3 (d) For local governments planning under RCW 36.70A.040, promptly  
4 after approval or disapproval of a local government's housing element  
5 by the department as provided in section 2 of this act, the  
6 department shall publish a notice that the housing element has been  
7 approved or disapproved. For purposes of this section, the date of  
8 publication for the adoption or amendment of a housing element is the  
9 date that the department publishes notice that the housing element  
10 has been approved or disapproved.

11 (3) Unless the board dismisses the petition as frivolous or finds  
12 that the person filing the petition lacks standing, or the parties  
13 have filed an agreement to have the case heard in superior court as  
14 provided in RCW 36.70A.295, the board shall, within ten days of  
15 receipt of the petition, set a time for hearing the matter.

16 (4) The board shall base its decision on the record developed by  
17 the city, county, or the state and supplemented with additional  
18 evidence if the board determines that such additional evidence would  
19 be necessary or of substantial assistance to the board in reaching  
20 its decision.

21 (5) The board, shall consolidate, when appropriate, all petitions  
22 involving the review of the same comprehensive plan or the same  
23 development regulation or regulations.

24 **Sec. 6.** RCW 36.70A.030 and 2017 3rd sp.s. c 18 s 2 are each  
25 amended to read as follows:

26 Unless the context clearly requires otherwise, the definitions in  
27 this section apply throughout this chapter.

28 (1) "Adopt a comprehensive land use plan" means to enact a new  
29 comprehensive land use plan or to update an existing comprehensive  
30 land use plan.

31 (2) "Agricultural land" means land primarily devoted to the  
32 commercial production of horticultural, viticultural, floricultural,  
33 dairy, apiary, vegetable, or animal products or of berries, grain,  
34 hay, straw, turf, seed, Christmas trees not subject to the excise tax  
35 imposed by RCW 84.33.100 through 84.33.140, finfish in upland  
36 hatcheries, or livestock, and that has long-term commercial  
37 significance for agricultural production.

38 (3) "City" means any city or town, including a code city.

1 (4) "Comprehensive land use plan," "comprehensive plan," or  
2 "plan" means a generalized coordinated land use policy statement of  
3 the governing body of a county or city that is adopted pursuant to  
4 this chapter.

5 (5) "Critical areas" include the following areas and ecosystems:

6 (a) Wetlands; (b) areas with a critical recharging effect on aquifers  
7 used for potable water; (c) fish and wildlife habitat conservation  
8 areas; (d) frequently flooded areas; and (e) geologically hazardous  
9 areas. "Fish and wildlife habitat conservation areas" does not  
10 include such artificial features or constructs as irrigation delivery  
11 systems, irrigation infrastructure, irrigation canals, or drainage  
12 ditches that lie within the boundaries of and are maintained by a  
13 port district or an irrigation district or company.

14 (6) "Department" means the department of commerce.

15 (7) "Development regulations" or "regulation" means the controls  
16 placed on development or land use activities by a county or city,  
17 including, but not limited to, zoning ordinances, critical areas  
18 ordinances, shoreline master programs, official controls, planned  
19 unit development ordinances, subdivision ordinances, and binding site  
20 plan ordinances together with any amendments thereto. A development  
21 regulation does not include a decision to approve a project permit  
22 application, as defined in RCW 36.70B.020, even though the decision  
23 may be expressed in a resolution or ordinance of the legislative body  
24 of the county or city.

25 (8) "Forestland" means land primarily devoted to growing trees  
26 for long-term commercial timber production on land that can be  
27 economically and practically managed for such production, including  
28 Christmas trees subject to the excise tax imposed under RCW 84.33.100  
29 through 84.33.140, and that has long-term commercial significance. In  
30 determining whether forestland is primarily devoted to growing trees  
31 for long-term commercial timber production on land that can be  
32 economically and practically managed for such production, the  
33 following factors shall be considered: (a) The proximity of the land  
34 to urban, suburban, and rural settlements; (b) surrounding parcel  
35 size and the compatibility and intensity of adjacent and nearby land  
36 uses; (c) long-term local economic conditions that affect the ability  
37 to manage for timber production; and (d) the availability of public  
38 facilities and services conducive to conversion of forestland to  
39 other uses.

1       (9) "Freight rail dependent uses" means buildings and other  
2 infrastructure that are used in the fabrication, processing, storage,  
3 and transport of goods where the use is dependent on and makes use of  
4 an adjacent short line railroad. Such facilities are both urban and  
5 rural development for purposes of this chapter. "Freight rail  
6 dependent uses" does not include buildings and other infrastructure  
7 that are used in the fabrication, processing, storage, and transport  
8 of coal, liquefied natural gas, or "crude oil" as defined in RCW  
9 90.56.010.

10       (10) "Geologically hazardous areas" means areas that because of  
11 their susceptibility to erosion, sliding, earthquake, or other  
12 geological events, are not suited to the siting of commercial,  
13 residential, or industrial development consistent with public health  
14 or safety concerns.

15       (11) "Long-term commercial significance" includes the growing  
16 capacity, productivity, and soil composition of the land for long-  
17 term commercial production, in consideration with the land's  
18 proximity to population areas, and the possibility of more intense  
19 uses of the land.

20       (12) "Minerals" include gravel, sand, and valuable metallic  
21 substances.

22       (13) "Public facilities" include streets, roads, highways,  
23 sidewalks, street and road lighting systems, traffic signals,  
24 domestic water systems, storm and sanitary sewer systems, parks and  
25 recreational facilities, and schools.

26       (14) "Public services" include fire protection and suppression,  
27 law enforcement, public health, education, recreation, environmental  
28 protection, and other governmental services.

29       (15) "Recreational land" means land so designated under RCW  
30 36.70A.1701 and that, immediately prior to this designation, was  
31 designated as agricultural land of long-term commercial significance  
32 under RCW 36.70A.170. Recreational land must have playing fields and  
33 supporting facilities existing before July 1, 2004, for sports played  
34 on grass playing fields.

35       (16) "Rural character" refers to the patterns of land use and  
36 development established by a county in the rural element of its  
37 comprehensive plan:

38       (a) In which open space, the natural landscape, and vegetation  
39 predominate over the built environment;

1 (b) That foster traditional rural lifestyles, rural-based  
2 economies, and opportunities to both live and work in rural areas;

3 (c) That provide visual landscapes that are traditionally found  
4 in rural areas and communities;

5 (d) That are compatible with the use of the land by wildlife and  
6 for fish and wildlife habitat;

7 (e) That reduce the inappropriate conversion of undeveloped land  
8 into sprawling, low-density development;

9 (f) That generally do not require the extension of urban  
10 governmental services; and

11 (g) That are consistent with the protection of natural surface  
12 water flows and groundwater and surface water recharge and discharge  
13 areas.

14 (17) "Rural development" refers to development outside the urban  
15 growth area and outside agricultural, forest, and mineral resource  
16 lands designated pursuant to RCW 36.70A.170. Rural development can  
17 consist of a variety of uses and residential densities, including  
18 clustered residential development, at levels that are consistent with  
19 the preservation of rural character and the requirements of the rural  
20 element. Rural development does not refer to agriculture or forestry  
21 activities that may be conducted in rural areas.

22 (18) "Rural governmental services" or "rural services" include  
23 those public services and public facilities historically and  
24 typically delivered at an intensity usually found in rural areas, and  
25 may include domestic water systems, fire and police protection  
26 services, transportation and public transit services, and other  
27 public utilities associated with rural development and normally not  
28 associated with urban areas. Rural services do not include storm or  
29 sanitary sewers, except as otherwise authorized by RCW 36.70A.110(4).

30 (19) "Short line railroad" means those railroad lines designated  
31 class II or class III by the United States surface transportation  
32 board.

33 (20) "Urban governmental services" or "urban services" include  
34 those public services and public facilities at an intensity  
35 historically and typically provided in cities, specifically including  
36 storm and sanitary sewer systems, domestic water systems, street  
37 cleaning services, fire and police protection services, public  
38 transit services, and other public utilities associated with urban  
39 areas and normally not associated with rural areas.

1 (21) "Urban growth" refers to growth that makes intensive use of  
2 land for the location of buildings, structures, and impermeable  
3 surfaces to such a degree as to be incompatible with the primary use  
4 of land for the production of food, other agricultural products, or  
5 fiber, or the extraction of mineral resources, rural uses, rural  
6 development, and natural resource lands designated pursuant to RCW  
7 36.70A.170. A pattern of more intensive rural development, as  
8 provided in RCW 36.70A.070(5)(d), is not urban growth. When allowed  
9 to spread over wide areas, urban growth typically requires urban  
10 governmental services. "Characterized by urban growth" refers to land  
11 having urban growth located on it, or to land located in relationship  
12 to an area with urban growth on it as to be appropriate for urban  
13 growth.

14 (22) "Urban growth areas" means those areas designated by a  
15 county pursuant to RCW 36.70A.110.

16 (23) "Wetland" or "wetlands" means areas that are inundated or  
17 saturated by surface water or groundwater at a frequency and duration  
18 sufficient to support, and that under normal circumstances do  
19 support, a prevalence of vegetation typically adapted for life in  
20 saturated soil conditions. Wetlands generally include swamps,  
21 marshes, bogs, and similar areas. Wetlands do not include those  
22 artificial wetlands intentionally created from nonwetland sites,  
23 including, but not limited to, irrigation and drainage ditches,  
24 grass-lined swales, canals, detention facilities, wastewater  
25 treatment facilities, farm ponds, and landscape amenities, or those  
26 wetlands created after July 1, 1990, that were unintentionally  
27 created as a result of the construction of a road, street, or  
28 highway. Wetlands may include those artificial wetlands intentionally  
29 created from nonwetland areas created to mitigate conversion of  
30 wetlands.

31 (24) "Affordable housing" means, unless the context clearly  
32 indicates otherwise, residential housing whose monthly costs,  
33 including utilities other than telephone, do not exceed thirty  
34 percent of the monthly income of a household whose income is sixty  
35 percent of the median household income adjusted for household size,  
36 for the county where the household is located, as reported by the  
37 United States department of housing and urban development.

38 (25) "Extremely low-income household" means a single person,  
39 family, or unrelated persons living together whose adjusted income is  
40 at or below thirty percent of the median household income adjusted

1 for household size, for the county where the household is located, as  
2 reported by the United States department of housing and urban  
3 development.

4 (26) "Low-income household" means a single person, family, or  
5 unrelated persons living together whose adjusted income is at or  
6 below eighty percent of the median household income adjusted for  
7 household size, for the county where the household is located, as  
8 reported by the United States department of housing and urban  
9 development.

10 (27) "Very low-income household" means a single person, family,  
11 or unrelated persons living together whose adjusted income is at or  
12 below fifty percent of the median household income adjusted for  
13 household size, for the county where the household is located, as  
14 reported by the United States department of housing and urban  
15 development.

16 **Sec. 7.** RCW 43.21C.450 and 2012 1st sp.s. c 1 s 307 are each  
17 amended to read as follows:

18 The following nonproject actions are categorically exempt from  
19 the requirements of this chapter:

20 (1) Amendments to development regulations that are required to  
21 ensure consistency with an adopted comprehensive plan pursuant to RCW  
22 36.70A.040, where the comprehensive plan was previously subjected to  
23 environmental review pursuant to this chapter and the impacts  
24 associated with the proposed regulation were specifically addressed  
25 in the prior environmental review;

26 (2) Amendments to development regulations that are required to  
27 ensure consistency with a shoreline master program approved pursuant  
28 to RCW 90.58.090, where the shoreline master program was previously  
29 subjected to environmental review pursuant to this chapter and the  
30 impacts associated with the proposed regulation were specifically  
31 addressed in the prior environmental review;

32 (3) Amendments to development regulations that, upon  
33 implementation of a project action, will provide increased  
34 environmental protection, limited to the following:

35 (a) Increased protections for critical areas, such as enhanced  
36 buffers or setbacks;

37 (b) Increased vegetation retention or decreased impervious  
38 surface areas in shoreline jurisdiction; and



(c) Increased vegetation retention or decreased impervious surface areas in critical areas;

(4) Amendments to technical codes adopted by a county, city, or town to ensure consistency with minimum standards contained in state law, including the following:

(a) Building codes required by chapter 19.27 RCW;

(b) Energy codes required by chapter 19.27A RCW; and

(c) Electrical codes required by chapter 19.28 RCW;

(5) Amendments to development regulations in order to comply with section 1 of this act.

**NEW SECTION.** **Sec. 8.** A new section is added to chapter 36.70A RCW to read as follows:

In counties and cities planning under RCW 36.70A.040, minimum residential parking requirements mandated by municipal zoning ordinances are subject to the following requirements:

(1) For affordable housing units that are located within one-quarter mile of a transit stop that receives transit service at least four times per hour for twelve or more hours per day, minimum residential parking requirements may be no greater than one parking space per bedroom.

(2) For housing units that are specifically for seniors or people with disabilities, that are located within one-quarter mile of a transit stop that receives transit service at least four times per hour for twelve or more hours per day, no minimum residential parking requirement may be imposed.

**Sec. 9.** RCW 70.146.070 and 2013 c 275 s 4 are each amended to read as follows:

(1) When making grants or loans for water pollution control facilities, the department shall consider the following:

(a) The protection of water quality and public health;

(b) The cost to residential ratepayers if they had to finance water pollution control facilities without state assistance;

(c) Actions required under federal and state permits and compliance orders;

(d) The level of local fiscal effort by residential ratepayers since 1972 in financing water pollution control facilities;

1 (e) Except as otherwise conditioned by RCW 70.146.110, whether  
2 the entity receiving assistance is a Puget Sound partner, as defined  
3 in RCW 90.71.010;

4 (f) Whether the project is referenced in the action agenda  
5 developed by the Puget Sound partnership under RCW 90.71.310;

6 (g) Except as otherwise provided in RCW 70.146.120, and effective  
7 one calendar year following the development and statewide  
8 availability of model evergreen community management plans and  
9 ordinances under RCW 35.105.050, whether the project is sponsored by  
10 an entity that has been recognized, and what gradation of recognition  
11 was received, in the evergreen community recognition program created  
12 in RCW 35.105.030;

13 (h) The extent to which the applicant county or city, or if the  
14 applicant is another public body, the extent to which the county or  
15 city in which the applicant public body is located, has established  
16 programs to mitigate nonpoint pollution of the surface or  
17 subterranean water sought to be protected by the water pollution  
18 control facility named in the application for state assistance; and

19 (i) The recommendations of the Puget Sound partnership, created  
20 in RCW 90.71.210, and any other board, council, commission, or group  
21 established by the legislature or a state agency to study water  
22 pollution control issues in the state.

23 (2) Except where necessary to address a public health need or  
24 substantial environmental degradation, a county, city, or town  
25 planning under RCW 36.70A.040 may not receive a grant or loan for  
26 water pollution control facilities unless it has adopted a  
27 comprehensive plan, including a capital facilities plan element, and  
28 development regulations as required by RCW 36.70A.040. A county,  
29 city, or town that has adopted a comprehensive plan and development  
30 regulations as provided in RCW 36.70A.040 may request a grant or loan  
31 for water pollution control facilities. This subsection does not  
32 require any county, city, or town planning under RCW 36.70A.040 to  
33 adopt a comprehensive plan or development regulations before  
34 requesting a grant or loan under this chapter if such request is made  
35 before the expiration of the time periods specified in RCW  
36 36.70A.040. A county, city, or town planning under RCW 36.70A.040  
37 that has not adopted a comprehensive plan and development regulations  
38 within the time periods specified in RCW 36.70A.040 is not prohibited  
39 from receiving a grant or loan under this chapter if the  
40 comprehensive plan and development regulations are adopted as

1 required by RCW 36.70A.040 before the department executes a  
2 contractual agreement for the grant or loan.

3 (3) Whenever the department is considering awarding grants or  
4 loans for public facilities to special districts requesting funding  
5 for a proposed facility located in a county, city, or town planning  
6 under RCW 36.70A.040, it shall consider whether the county, city, or  
7 town planning under RCW 36.70A.040 in whose planning jurisdiction the  
8 proposed facility is located has adopted a comprehensive plan and  
9 development regulations as required by RCW 36.70A.040.

10 (4) The department may not award a grant or loan for a public  
11 facility located in a city subject to the requirements of section 1  
12 (1) and (2) of this act unless the city has certified to the  
13 department that it is in compliance with section 1 (1) and (2) of  
14 this act.

15 (5) After January 1, 2010, any project designed to address the  
16 effects of water pollution on Puget Sound may be funded under this  
17 chapter only if the project is not in conflict with the action agenda  
18 developed by the Puget Sound partnership under RCW 90.71.310.

19 **Sec. 10.** RCW 43.155.070 and 2017 3rd sp.s. c 10 s 9 are each  
20 amended to read as follows:

21 (1) To qualify for financial assistance under this chapter the  
22 board must determine that a local government meets all of the  
23 following conditions:

24 (a) The city or county must be imposing a tax under chapter 82.46  
25 RCW at a rate of at least one-quarter of one percent;

26 (b) The local government must have developed a capital facility  
27 plan; and

28 (c) The local government must be using all local revenue sources  
29 which are reasonably available for funding public works, taking into  
30 consideration local employment and economic factors.

31 (2) Except where necessary to address a public health need or  
32 substantial environmental degradation, a county, city, or town  
33 planning under RCW 36.70A.040 may not receive financial assistance  
34 under this chapter unless it has adopted a comprehensive plan,  
35 including a capital facilities plan element, and development  
36 regulations as required by RCW 36.70A.040. This subsection does not  
37 require any county, city, or town planning under RCW 36.70A.040 to  
38 adopt a comprehensive plan or development regulations before  
39 requesting or receiving financial assistance under this chapter if

1 such request is made before the expiration of the time periods  
2 specified in RCW 36.70A.040. A county, city, or town planning under  
3 RCW 36.70A.040 that has not adopted a comprehensive plan and  
4 development regulations within the time periods specified in RCW  
5 36.70A.040 may apply for and receive financial assistance under this  
6 chapter if the comprehensive plan and development regulations are  
7 adopted as required by RCW 36.70A.040 before executing a contractual  
8 agreement for financial assistance with the board.

9 (3) In considering awarding financial assistance for public  
10 facilities to special districts requesting funding for a proposed  
11 facility located in a county, city, or town planning under RCW  
12 36.70A.040, the board must consider whether the county, city, or town  
13 planning under RCW 36.70A.040 in whose planning jurisdiction the  
14 proposed facility is located has adopted a comprehensive plan and  
15 development regulations as required by RCW 36.70A.040.

16 (4) The board may not award financial assistance for a proposed  
17 facility located in a city subject to the requirements of section 1  
18 (1) and (2) of this act unless the city has certified to the board  
19 that it is in compliance with section 1 (1) and (2) of this act.

20 (5)(a) The board must develop a process to prioritize  
21 applications and funding of loans and grants for public works  
22 projects submitted by local governments. The board must consider, at  
23 a minimum and in any order, the following factors in prioritizing  
24 projects:

25 (i) Whether the project is critical in nature and would affect  
26 the health and safety of many people;

27 (ii) The extent to which the project leverages other funds;

28 (iii) The extent to which the project is ready to proceed to  
29 construction;

30 (iv) Whether the project is located in an area of high  
31 unemployment, compared to the average state unemployment;

32 (v) Whether the project promotes the sustainable use of resources  
33 and environmental quality, as applicable;

34 (vi) Whether the project consolidates or regionalizes systems;

35 (vii) Whether the project encourages economic development through  
36 mixed-use and mixed income development consistent with chapter 36.70A  
37 RCW;

38 (viii) Whether the system is being well-managed in the present  
39 and for long-term sustainability;

(ix) Achieving equitable distribution of funds by geography and population;

(x) The extent to which the project meets the following state policy objectives:

(A) Efficient use of state resources;

(B) Preservation and enhancement of health and safety;

(C) Abatement of pollution and protection of the environment;

(D) Creation of new, family-wage jobs, and avoidance of shifting existing jobs from one Washington state community to another;

(E) Fostering economic development consistent with chapter 36.70A RCW;

(F) Efficiency in delivery of goods and services and transportation; and

(G) Reduction of the overall cost of public infrastructure;

(xi) Whether the applicant sought or is seeking funding for the project from other sources; and

(xii) Other criteria that the board considers necessary to achieve the purposes of this chapter.

(b) Before September 1, 2018, and each year thereafter, the board must develop and submit a report regarding the construction loans and grants to the office of financial management and appropriate fiscal committees of the senate and house of representatives. The report must include:

(i) The total number of applications and amount of funding requested for public works projects;

(ii) A list and description of projects approved in the preceding fiscal year with project scores against the board's prioritization criteria;

(iii) The total amount of loan and grants disbursements made from the public works assistance account in the preceding fiscal year;

(iv) The total amount of loan repayments in the preceding fiscal year for outstanding loans from the public works assistance account;

(v) The total amount of loan repayments due for outstanding loans for each fiscal year over the following ten-year period; and

(vi) The total amount of funds obligated and timing of when the funds were obligated in the preceding fiscal year.

(c) The maximum amount of funding that the board may provide for any jurisdiction is ten million dollars per biennium.

~~((+5))~~ (6) Existing debt or financial obligations of local governments may not be refinanced under this chapter. Each local

1 government applicant must provide documentation of attempts to secure  
2 additional local or other sources of funding for each public works  
3 project for which financial assistance is sought under this chapter.

4 ~~((+6))~~ (7) Before September 1st of each year, the board must  
5 develop and submit to the appropriate fiscal committees of the senate  
6 and house of representatives a description of the loans and grants  
7 made under RCW 43.155.065 and 43.155.068.

8 ~~((+7))~~ (8) The board may not sign contracts or otherwise  
9 financially obligate funds from the public works assistance account  
10 before the legislature has appropriated funds to the board for the  
11 purpose of funding public works projects under this chapter.

12 ~~((+8))~~ (9) To qualify for loans, grants, or pledges for solid  
13 waste or recycling facilities under this chapter, a city or county  
14 must demonstrate that the solid waste or recycling facility is  
15 consistent with and necessary to implement the comprehensive solid  
16 waste management plan adopted by the city or county under chapter  
17 70.95 RCW.

18 ~~((+9))~~ (10) After January 1, 2010, any project designed to  
19 address the effects of stormwater or wastewater on Puget Sound may be  
20 funded under this section only if the project is not in conflict with  
21 the action agenda developed by the Puget Sound partnership under RCW  
22 90.71.310.

23 ~~((+10))~~ (11) For projects involving repair, replacement, or  
24 improvement of a wastewater treatment plant or other public works  
25 facility for which an investment grade efficiency audit is reasonably  
26 obtainable, the public works board must require as a contract  
27 condition that the project sponsor undertake an investment grade  
28 efficiency audit. The project sponsor may finance the costs of the  
29 audit as part of its public works assistance account program loan or  
30 grant.

31 ~~((+11))~~ (12) The board must implement policies and procedures  
32 designed to maximize local government consideration of other funds to  
33 finance local infrastructure.

34 **Sec. 11.** RCW 47.26.086 and 2011 c 120 s 7 are each amended to  
35 read as follows:

36 Transportation improvement account projects selected for funding  
37 programs after fiscal year 1995 are governed by the requirements of  
38 this section.

1 The board shall allocate funds from the account by June 30th of  
2 each year for the ensuing fiscal year to urban counties, cities with  
3 a population of five thousand and over, and to transportation benefit  
4 districts. Projects may include, but are not limited to, multiagency  
5 projects and arterial improvement projects in fast-growing areas. The  
6 board shall endeavor to provide geographical diversity in selecting  
7 improvement projects to be funded from the account.

8 To be eligible to receive these funds, a project must be  
9 consistent with the Growth Management Act, the Clean Air Act  
10 including conformity, and the Commute Trip Reduction Law and  
11 consideration must have been given to the project's relationship,  
12 both actual and potential, with the statewide rail passenger program  
13 and rapid mass transit. For a project located in a city that is  
14 subject to the requirements of section 1 (1) and (2) of this act, the  
15 city must certify to the board that it is in compliance with section  
16 1 (1) and (2) of this act in order for the project to be eligible to  
17 receive these funds. Projects must be consistent with any adopted  
18 high capacity transportation plan, must consider existing or  
19 reasonably foreseeable congestion levels attributable to economic  
20 development or growth and all modes of transportation and safety, and  
21 must be partially funded by local government or private  
22 contributions, or a combination of such contributions. Priority  
23 consideration shall be given to those projects with the greatest  
24 percentage of local or private contribution, or both.

25 Within one year after board approval of an application for  
26 funding, the lead agency shall provide written certification to the  
27 board of the pledged local and private funding for the phase of the  
28 project approved. Funds allocated to an applicant that does not  
29 certify its funding within one year after approval may be reallocated  
30 by the board.

31 NEW SECTION. Sec. 12. A new section is added to chapter 43.21C  
32 RCW to read as follows:

33 (1) A project action implementing section 1 of this act and  
34 evaluated under this chapter by a city, town, or county planning  
35 under RCW 36.70A.040 is exempt from appeals under this chapter on the  
36 basis of the evaluation of or impacts to transportation elements of  
37 the environment, so long as the project does not present significant  
38 adverse impacts to the state-owned transportation system as  
39 determined by the department of transportation and the project is:

(a) (i) Consistent with a locally adopted transportation plan; or  
(ii) Consistent with the transportation element of a comprehensive plan; and

(b) (i) A project for which traffic or parking impact fees are imposed pursuant to RCW 82.02.050 through 82.02.090; or

(ii) A project for which traffic or parking impacts are expressly mitigated by an ordinance, or ordinances, of general application adopted by the city, town, or county.

(2) For purposes of this section, "impacts to transportation elements of the environment" include impacts to transportation systems; vehicular traffic; waterborne, rail, and air traffic; parking; movement or circulation of people or goods; and traffic hazards.

**Sec. 13.** RCW 43.21C.420 and 2010 c 153 s 2 are each amended to read as follows:

(1) Cities with a population greater than five thousand, in accordance with their existing comprehensive planning and development regulation authority under chapter 36.70A RCW, and in accordance with this section, may adopt optional elements of their comprehensive plans and optional development regulations that apply within specified subareas of the cities, that are either:

(a) Areas designated as mixed-use or urban centers in a land use or transportation plan adopted by a regional transportation planning organization; or

(b) Areas within one-half mile of a major transit stop that are zoned to have an average minimum density of fifteen dwelling units or more per gross acre.

(2) Cities located on the east side of the Cascade mountains and located in a county with a population of two hundred thirty thousand or less, in accordance with their existing comprehensive planning and development regulation authority under chapter 36.70A RCW, and in accordance with this section, may adopt optional elements of their comprehensive plans and optional development regulations that apply within the mixed-use or urban centers. The optional elements of their comprehensive plans and optional development regulations must enhance pedestrian, bicycle, transit, or other nonvehicular transportation methods.

(3) A major transit stop is defined as:



1 (a) A stop on a high capacity transportation service funded or  
2 expanded under the provisions of chapter 81.104 RCW;

3 (b) Commuter rail stops;

4 (c) Stops on rail or fixed guideway systems, including  
5 transitways;

6 (d) Stops on bus rapid transit routes or routes that run on high  
7 occupancy vehicle lanes; or

8 (e) Stops for a bus or other transit mode providing fixed route  
9 service at intervals of at least thirty minutes during the peak hours  
10 of operation.

11 (4)(a) A city that elects to adopt such an optional comprehensive  
12 plan element and optional development regulations shall prepare a  
13 nonproject environmental impact statement, pursuant to RCW  
14 43.21C.030, assessing and disclosing the probable significant adverse  
15 environmental impacts of the optional comprehensive plan element and  
16 development regulations and of future development that is consistent  
17 with the plan and regulations.

18 (b) At least one community meeting must be held on the proposed  
19 subarea plan before the scoping notice for such a nonproject  
20 environmental impact statement is issued. Notice of scoping for such  
21 a nonproject environmental impact statement and notice of the  
22 community meeting required by this section must be mailed to all  
23 property owners of record within the subarea to be studied, to all  
24 property owners within one hundred fifty feet of the boundaries of  
25 such a subarea, to all affected federally recognized tribal  
26 governments whose ceded area is within one-half mile of the  
27 boundaries of the subarea, and to agencies with jurisdiction over the  
28 future development anticipated within the subarea.

29 ~~(c) ((In cities with over five hundred thousand residents, notice~~  
30 ~~of scoping for such a nonproject environmental impact statement and~~  
31 ~~notice of the community meeting required by this section must be~~  
32 ~~mailed to all small businesses as defined in RCW 19.85.020, and to~~  
33 ~~all community preservation and development authorities established~~  
34 ~~under chapter 43.167 RCW, located within the subarea to be studied or~~  
35 ~~within one hundred fifty feet of the boundaries of such subarea. The~~  
36 ~~process for community involvement must have the goal of fair~~  
37 ~~treatment and meaningful involvement of all people with respect to~~  
38 ~~the development and implementation of the subarea planning process.~~

39 ~~(d))~~ The notice of the community meeting must include general  
40 illustrations and descriptions of buildings generally representative

1 of the maximum building envelope that will be allowed under the  
2 proposed plan and indicate that future appeals of proposed  
3 developments that are consistent with the plan will be limited.  
4 Notice of the community meeting must include signs located on major  
5 travel routes in the subarea. If the building envelope increases  
6 during the process, another notice complying with the requirements of  
7 this section must be issued before the next public involvement  
8 opportunity.

9 ~~((f))~~ (d) Any person that has standing to appeal the adoption  
10 of this subarea plan or the implementing regulations under RCW  
11 36.70A.280 has standing to bring an appeal of the nonproject  
12 environmental impact statement required by this subsection.

13 ~~((f))~~ ~~Cities with over five hundred thousand residents shall~~  
14 ~~prepare a study that accompanies or is appended to the nonproject~~  
15 ~~environmental impact statement, but must not be part of that~~  
16 ~~statement, that analyzes the extent to which the proposed subarea~~  
17 ~~plan may result in the displacement or fragmentation of existing~~  
18 ~~businesses, existing residents, including people living with poverty,~~  
19 ~~families with children, and intergenerational households, or cultural~~  
20 ~~groups within the proposed subarea plan. The city shall also discuss~~  
21 ~~the results of the analysis at the community meeting.~~

22 ~~(g))~~ (e) As an incentive for development authorized under this  
23 section, a city shall consider establishing a transfer of development  
24 rights program in consultation with the county where the city is  
25 located, that conserves county-designated agricultural and forestland  
26 of long-term commercial significance. If the city decides not to  
27 establish a transfer of development rights program, the city must  
28 state in the record the reasons for not adopting the program. The  
29 city's decision not to establish a transfer of development rights  
30 program is not subject to appeal. Nothing in this subsection (4)  
31 ~~((g))~~ (e) may be used as a basis to challenge the optional  
32 comprehensive plan or subarea plan policies authorized under this  
33 section.

34 (5)(a) Until July 1, ~~((2018))~~ 2029, a proposed development that  
35 meets the criteria of (b) of this subsection may not be challenged in  
36 administrative or judicial appeals for noncompliance with this  
37 chapter as long as a complete application for such a development that  
38 vests the application or would later lead to vested status under city  
39 or state law is submitted to the city within a time frame established  
40 by the city, but not to exceed the following time frames:

1 (i) Nineteen years from the date of issuance of the final  
2 environmental impact statement, for projects that are consistent with  
3 an optional element adopted by a city as of the effective date of  
4 this section; or

5 (ii) Ten years from the date of issuance of the final  
6 environmental impact statement, for projects that are consistent with  
7 an optional element adopted by a city after the effective date of  
8 this section.

9 (b) A proposed development may not be challenged, consistent with  
10 the timelines established in (a) of this subsection, so long as the  
11 development:

12 (i) Is consistent with the optional comprehensive plan or subarea  
13 plan policies and development regulations adopted under subsection  
14 (1) or (2) of this section;

15 (ii) Sets aside or requires the occupancy of at least ten percent  
16 of the dwelling units, or a greater percentage as determined by city  
17 development regulations, within the development for low-income  
18 households at a sale price or rental amount that is considered  
19 affordable by a city's housing programs. This subsection (5)(b)(ii)  
20 applies only to projects that are consistent with an optional element  
21 adopted by a city pursuant to this section after the effective date  
22 of this section; and ((that))

23 (iii) Is environmentally reviewed under subsection (4) of this  
24 section ((may not be challenged in administrative or judicial appeals  
25 for noncompliance with this chapter as long as a complete application  
26 for such a development that vests the application or would later lead  
27 to vested status under city or state law is submitted to the city  
28 within a time frame established by the city, but not to exceed ten  
29 years from the date of issuance of the final environmental impact  
30 statement)).

31 ((b)) (c) After July 1, ((2018)) 2029, the immunity from  
32 appeals under this chapter of any application that vests or will vest  
33 under this subsection or the ability to vest under this subsection is  
34 still valid, provided that the final subarea environmental impact  
35 statement is issued by July 1, ((2018)) 2029. After July 1, ((2018))  
36 2029, a city may continue to collect reimbursement fees under  
37 subsection (6) of this section for the proportionate share of a  
38 subarea environmental impact statement issued prior to July 1,  
39 ((2018)) 2029.

1 (6) It is recognized that a city that prepares a nonproject  
2 environmental impact statement under subsection (4) of this section  
3 must endure a substantial financial burden. A city may recover or  
4 apply for a grant or loan to prospectively cover its reasonable  
5 expenses of preparation of a nonproject environmental impact  
6 statement prepared under subsection (4) of this section through  
7 access to financial assistance under RCW 36.70A.490 or funding from  
8 private sources. In addition, a city is authorized to recover a  
9 portion of its reasonable expenses of preparation of such a  
10 nonproject environmental impact statement by the assessment of  
11 reasonable and proportionate fees upon subsequent development that is  
12 consistent with the plan and development regulations adopted under  
13 subsection (5) of this section, as long as the development makes use  
14 of and benefits (~~(from)~~) from, as described in subsection (5) of  
15 this section, (~~(from)~~) the nonproject environmental impact statement  
16 prepared by the city. Any assessment fees collected from subsequent  
17 development may be used to reimburse funding received from private  
18 sources. In order to collect such fees, the city must enact an  
19 ordinance that sets forth objective standards for determining how the  
20 fees to be imposed upon each development will be proportionate to the  
21 impacts of each development and to the benefits accruing to each  
22 development from the nonproject environmental impact statement. Any  
23 disagreement about the reasonableness or amount of the fees imposed  
24 upon a development may not be the basis for delay in issuance of a  
25 project permit for that development. The fee assessed by the city may  
26 be paid with the written stipulation "paid under protest" and if the  
27 city provides for an administrative appeal of its decision on the  
28 project for which the fees are imposed, any dispute about the amount  
29 of the fees must be resolved in the same administrative appeal  
30 process.

31 (7) If a proposed development is inconsistent with the optional  
32 comprehensive plan or subarea plan policies and development  
33 regulations adopted under subsection (1) of this section, the city  
34 shall require additional environmental review in accordance with this  
35 chapter.

36 **Sec. 14.** RCW 36.70A.490 and 2012 1st sp.s. c 1 s 309 are each  
37 amended to read as follows:

38 The growth management planning and environmental review fund is  
39 hereby established in the state treasury. Moneys may be placed in the

fund from the proceeds of bond sales, tax revenues, budget transfers, federal appropriations, gifts, or any other lawful source. Moneys in the fund may be spent only after appropriation. Moneys in the fund shall be used to make grants or loans to local governments for the purposes set forth in RCW 43.21C.240, 43.21C.031, or 36.70A.500, and to cover costs associated with the adoption of optional elements of comprehensive plans consistent with RCW 43.21C.420. Any payment of either principal or interest, or both, derived from loans made from this fund must be deposited into the fund.

NEW SECTION. **Sec. 15.** A new section is added to chapter 35.21 RCW to read as follows:

Permanent supportive housing shall be a permitted use in all areas where multifamily housing is permitted.

NEW SECTION. **Sec. 16.** A new section is added to chapter 35A.21 RCW to read as follows:

Permanent supportive housing shall be a permitted use in all areas where multifamily housing is permitted.

**Sec. 17.** RCW 82.02.060 and 2012 c 200 s 1 are each amended to read as follows:

The local ordinance by which impact fees are imposed:

(1) Shall include a schedule of impact fees which shall be adopted for each type of development activity that is subject to impact fees, specifying the amount of the impact fee to be imposed for each type of system improvement. The schedule shall be based upon a formula or other method of calculating such impact fees. In determining proportionate share, the formula or other method of calculating impact fees shall incorporate, among other things, the following:

(a) The cost of public facilities necessitated by new development;

(b) An adjustment to the cost of the public facilities for past or future payments made or reasonably anticipated to be made by new development to pay for particular system improvements in the form of user fees, debt service payments, taxes, or other payments earmarked for or proratable to the particular system improvement;

(c) The availability of other means of funding public facility improvements;

1 (d) The cost of existing public facilities improvements; and  
2 (e) The methods by which public facilities improvements were  
3 financed;

4 (2) May provide an exemption for low-income housing, and other  
5 development activities with broad public purposes, from these impact  
6 fees, provided that the impact fees for such development activity  
7 shall be paid from public funds other than impact fee accounts;

8 (3) May provide an exemption from impact fees for low-income  
9 housing. Local governments that grant exemptions for low-income  
10 housing under this subsection (3) may either: Grant a partial  
11 exemption of not more than eighty percent of impact fees, in which  
12 case there is no explicit requirement to pay the exempted portion of  
13 the fee from public funds other than impact fee accounts; or provide  
14 a full waiver, in which case the remaining percentage of the exempted  
15 fee must be paid from public funds other than impact fee accounts. An  
16 exemption for low-income housing granted under subsection (2) of this  
17 section or this subsection (3) must be conditioned upon requiring the  
18 developer to record a covenant that, except as provided otherwise by  
19 this subsection, prohibits using the property for any purpose other  
20 than for low-income housing. At a minimum, the covenant must address  
21 price restrictions and household income limits for the low-income  
22 housing, and that if the property is converted to a use other than  
23 for low-income housing, the property owner must pay the applicable  
24 impact fees in effect at the time of conversion. Covenants required  
25 by this subsection must be recorded with the applicable county  
26 auditor or recording officer. A local government granting an  
27 exemption under subsection (2) of this section or this subsection (3)  
28 for low-income housing may not collect revenue lost through granting  
29 an exemption by increasing impact fees unrelated to the exemption. A  
30 school district who receives school impact fees must approve any  
31 exemption under subsection (2) of this section or this subsection  
32 (3);

33 (4) May not charge a higher per unit fee for multifamily  
34 residential construction than for single-family residential  
35 construction;

36 (5) Shall provide a credit for the value of any dedication of  
37 land for, improvement to, or new construction of any system  
38 improvements provided by the developer, to facilities that are  
39 identified in the capital facilities plan and that are required by

1 the county, city, or town as a condition of approving the development  
2 activity;

3 ~~((+5))~~ (6) Shall allow the county, city, or town imposing the  
4 impact fees to adjust the standard impact fee at the time the fee is  
5 imposed to consider unusual circumstances in specific cases to ensure  
6 that impact fees are imposed fairly;

7 ~~((+6))~~ (7) Shall include a provision for calculating the amount  
8 of the fee to be imposed on a particular development that permits  
9 consideration of studies and data submitted by the developer to  
10 adjust the amount of the fee;

11 ~~((+7))~~ (8) Shall establish one or more reasonable service areas  
12 within which it shall calculate and impose impact fees for various  
13 land use categories per unit of development; ~~((and~~

14 ~~+8))~~ (9) May provide for the imposition of an impact fee for  
15 system improvement costs previously incurred by a county, city, or  
16 town to the extent that new growth and development will be served by  
17 the previously constructed improvements provided such fee shall not  
18 be imposed to make up for any system improvement deficiencies; and

19 (10) May not impose impact fees that cumulatively amount to more  
20 than fifty thousand dollars for any single-family residential  
21 project.

22 For purposes of this section, "low-income housing" means housing  
23 with a monthly housing expense, that is no greater than thirty  
24 percent of eighty percent of the median ~~((family))~~ household income  
25 adjusted for ~~((family))~~ household size, for the county where the  
26 project is located, as reported by the United States department of  
27 housing and urban development.

28 NEW SECTION. Sec. 18. Section 4 of this act takes effect  
29 December 31, 2020.

30 NEW SECTION. Sec. 19. Section 3 of this act expires December  
31 31, 2020.

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